

Illustration of Positive Cash Flow Financing for an Energy Efficiency Project

Lighting Upgrade for a Vermont Facility

Project Calculations

Cost of Improvements	\$133,000
Estimated Efficiency Vermont Incentive	\$13,000
25% USDA Grant Funding	\$33,250
Cash Available for downpayment	\$20,000
Net Cost Financed by VEDA	\$66,750
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Total Monthly Payment	\$1,199
Total Annual Payment	\$14,393
Loan Term (months)	60
Estimated Annual Energy Cost Savings	\$30,000

Annual Cash Flow

Year	Payment	Energy Savings	Net Savings
1	(\$14,393)	\$30,000	\$15,607
2	(\$14,393)	\$30,000	\$15,607
3	(\$14,393)	\$30,000	\$15,607
4	(\$14,393)	\$30,000	\$15,607
5	(\$14,393)	\$30,000	\$15,607
6	(\$0)	\$30,000	\$30,000
7	(\$0)	\$30,000	\$30,000
8	(\$0)	\$30,000	\$30,000
9	(\$0)	\$30,000	\$30,000
10	(\$0)	\$30,000	\$30,000

Tax credits may also be available through Vermont Economic Progress Council
Rates and eligibility requirements may vary, please contact the agency or lender for more information.

Contact Information

Efficiency Vermont

255 S. Champlain Street
Burlington, VT 05401
toll-free: 888-921-5990 / fax: 802-658-1643
www.efficiencyvermont.com

U.S.D.A. Rural Development

Third Floor, City Center
89 Main Street
Montpelier, VT 05602
ph: 802-828-6069 / fx: 802-828-6097
lyn.millhiser@vt.usda.gov

Vermont Department of Public Service Division of Energy Efficiency

112 State Street, Drawer 20
Montpelier, VT 05602
ph: 802-828-2811 / fx: 802-828-2342
www.state.vt.us/psd
vt dps@state.vt.us

Vermont Economic Development Authority

58 East State Street
Montpelier, VT 05602
ph: 802-828-5627 / fx: 802-828-5474
info@veda.state.vt.us / www.veda.org

Vermont Economic Progress Council

Fred Kenney, Executive Director
National Life Building, Drawer 20
Montpelier, VT 05620-0501
ph: 802-828-5256
fx: 802-828-3258
www.thinkvermont.com/vepc
email: fred@thinkvermont.com

Vermont Small Business Development Center

Peter Crawford,
Environmental Assistance Program Director
PO Box 188
Randolph Center, VT 05061
ph: 802-728-1423 / fx: 802-728-3026
www.vtsbdc.org/environment.cfm

**Public Resources to
Help Your Business
Invest in
Energy Efficiency**



**Vermont Economic
Progress Council**



Working Together to Support Energy Efficiency

Over the last decade, public awareness has grown about the vital importance of making energy efficiency decisions when investing in new construction, building renovations, and system upgrades. Business owners are challenged every day to make the best, most responsible use of energy resources in order to keep costs down and remain competitive. And, increasingly, business owners are seeking more information about how to do the best job they can when it comes to making their offices, plants and working systems more energy efficient.

In recent years, state and federal government agencies and the Vermont General Assembly have worked to address this growing need. Technical assistance programs have been developed, and financial resources allocated through low-interest loan and tax credit programs to assist Vermont businesses in their quest to become energy-efficient.

This brochure was cooperatively developed by six public agencies who offer a variety of resources to Vermonters making energy efficiency construction and renovation investment decisions. Program contact information is provided, as well as an example of how the available resources might be integrated to assist in project development financing.

Vermont Economic Progress Council (VEPC)

VEPC is an independent body of Vermont business people who administer the Economic Advancement Tax Incentive Program. Businesses may qualify for a variety of tax incentives, provided their proposed project generates a net fiscal benefit to the state, and could not have occurred without the incentives.

As of 2003, a company that meets the "sustainable technology" definition can apply for a Research and Development Tax Credit and an Export Tax Credit. Both allow higher credit levels to be applied to a company's taxes. To apply, the business must primarily design, develop, or manufacture computer software, machinery, or equipment used to: (1) generate electricity using wind, solar, methane, biomass, or geothermal sources; or (2) produce heat for residential or commercial structures using those same energy sources.

Small Business Development Center (SBDC)

The SBDC's mission is to assist start-ups and strengthen existing business entities through high-quality, no-cost counseling, and high-quality, affordable training programs.

The SBDC Environmental Assistance Program provides free small business energy assessments, specializing in services provided to general stores, retail and service businesses. The SBDC offerings include site walk-throughs and energy analysis; recommendation reports for efficiency improvements; analysis of cost-benefit of recommended improvements; and coordination with Efficiency Vermont's incentives.

Efficiency Vermont

Efficiency Vermont is Vermont's energy efficiency utility, authorized by the Vermont General Assembly and created by the Vermont Public Service Board in 1999. Efficiency Vermont works with businesses and residences across the state, helping to reduce their energy consumption and positively impact their bottom line.

Efficiency Vermont will work with your contractors and suppliers to identify energy savings opportunities and calculate installation costs and savings. In addition, they can provide technical expertise, financial incentives for energy efficient equipment and provide a cash flow analysis with financing options.

Vermont Economic Development Authority (VEDA)

VEDA was created by the General Assembly in 1974. Its purpose is to promote economic prosperity in Vermont by providing financial assistance to eligible businesses, including manufacturing, agricultural, and travel and tourism enterprises.

In 2003, the Vermont General Assembly increased the Authority's lending limits to Vermont companies whose proposed projects include as an integral element the generation of heat or electricity employing biomass, geothermal, methane, solar, or wind energy resources to be primarily consumed at the project. The change enables VEDA to loan up to \$2 million for qualifying projects meeting the above energy efficiency criteria. VEDA's total principal obligation is generally capped at 40% of the overall cost of a qualifying project.

United States Department of Agriculture (USDA) Rural Development

USDA Rural Development provides funding and technical assistance to foster growth in homeownership, business development, and critical community infrastructure.

The 2002 Farm Bill authorized the USDA to make loans, loan guarantees and grant funding available to help agricultural producers and rural small businesses reduce energy costs and consumption. Nationally, \$23 million in competitive grant funds are available annually to fund the purchase of renewable energy systems and installation of energy efficiency improvements.

25% grants up to \$500,000 are available for eligible projects. Renewable sources include energy derived from wind, solar, biomass, or geothermal sources; or hydrogen derived from biomass or water using those same sources. A minimum of 15% energy conservation is required for efficiency projects.

Vermont Department of Public Service

The Energy Efficiency Division of the Vermont Public Service Department acts as an information clearinghouse for the State, referring Vermonters to the most helpful energy efficiency resources available today. The energy office has a small staff of trained, knowledgeable professionals who offer recommendations on ways to access needed energy efficiency information, financial resources and technical expertise.